

~~SECRET~~

COPY NO. 15

CD/ED

CONFIDENTIAL

OCI NO. 9946

17 September 1954

CURRENT INTELLIGENCE WEEKLY



DOCUMENT NO. 21
CLASSIFICATION IN CLASS. 1
SPECIFIED
CHANGED TO: TS S 1957
REVIEW DATE:
AUTHORITY: 92571
DATE: 92571 REVIEWER:

25X1

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

~~SECRET~~

CONFIDENTIAL

State Dept. review completed

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current situations. Comments and conclusions represent the immediate appraisal of the Office of Current Intelligence.

~~SECRET~~

SUMMARY OF CONTENTS

~~CONFIDENTIAL~~

THE SOVIET WORLD Page 4

SOUTH KOREA PROVOKING DISPUTE WITH JAPAN OVER
LIANCOURT ROCKS Page 6

South Korea's armed occupation of disputed Liancourt Rocks is another artificially created but highly volatile episode in the larger sphere of Korean-Japanese conflicts. There is the possibility of an armed incident which either government, for prestige purposes, may exploit far beyond its actual importance.

EGYPTIAN ATTITUDES TOWARD NEAR EASTERN DEFENSE . . . Page 8

Prime Minister Nasr's statements and maneuvers on defense plans in the month following the Suez settlement pose a serious problem for American efforts to obtain an adequate defense arrangement in the Near East. The regime appears to have little concern for strategic considerations and seems to be primarily interested in making sure that Egypt will play the leading part in any defense organization which includes the Arab states.

MALAYAN COMMUNIST PARTY MAKES PROGRESS DESPITE
GOVERNMENT PRESSURE Page 10

The Malayan Communist Party, encouraged by events in Indochina, continues to register gains and is now actively engaged in penetrating the independence movement. Party policy is based on a modified version of the central committee directive of October 1951, which called for reduced terrorism and increased subversive activity in anticipation of a united front.

IMPLICATIONS OF THE PASTORE PROPOSAL FOR REORGANIZING
ITALIAN INDUSTRY Page 12

Inefficiency in Italian industry and the Communists' hold over labor are the targets of a proposal, approved by the Chamber of Deputies on 3 August, for reorganizing important segments of industry owned by the state. The proposal provides an important test of the Scelba government's ability to push through socio-economic reforms in the face of stiff opposition.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 2

~~SECRET~~~~CONFIDENTIAL~~

SECRET

NEW DEVELOPMENTS IN SOVIET RURAL ADMINISTRATION . . . Page 14

The immediate objective of recent changes in Soviet rural administration is to increase agricultural production, but the new measures were also formed with an eye to bringing the Russian peasant under greater state control and ultimately transforming him into a laborer working for wages like the industrial worker.

SPECIAL ARTICLE. PROSPECTS FOR THE NINTH UN GENERAL ASSEMBLY Page 16

The ninth UN General Assembly, which opens on 21 September, is scheduled to discuss the usual East-West problems such as Korea and disarmament, as well as two new colonial issues--Cyprus and New Guinea--which could lead to serious discord among non-Communist members. While antagonism and pique toward the United States will probably be reflected in some of the voting, a majority of the UN members are likely to support Washington on cold-war matters.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 3

SECRET

SECRET**THE SOVIET WORLD**

The Orbit campaign to develop broad European opposition to German rearmament, highlighted by the Soviet Foreign Ministry statement of 9 September, has continued to gather momentum. The statement contained no new formula for solving the German problem, but made abundantly clear the USSR's opposition to any form of West German rearmament and inclusion in a Western defense system. Allegations that German rearmament would increase the danger of war and deprive France of its status as a great power were directed at Paris, while a threat that rearmament would indefinitely postpone German unity was obviously aimed at German ears.

East German premier Grotewohl, meanwhile, called for "united action of the German working class" against rearmament, and appealed especially to the West German Social Democratic Party. Grotewohl also emphasized the "bonds of brotherhood" with the French Communist Party and the French working masses.

Pravda's strong attack on British Labor Party leader Attlee on 9 September also appeared to be part of the campaign against German rearmament since it was clearly an attempt to influence the forthcoming Labor Party conference. Moscow has recently devoted much attention to a Bevanite pamphlet, It Need Not Happen--The Alternative to German Rearmament. Recent information on the Moscow reception in August for the British Labor delegation has revealed that Soviet leaders concentrated their attention on Bevan and almost completely ignored Attlee.

The USSR, feeling secure in its control of the European Satellites, is apparently trying to reduce what may now be an excessive number of "advisers." A "sizable number" of Soviet civilian administrators and technicians in Hungary are reported to be preparing to return to the USSR, possibly as a result of the reduction in Hungarian government spending and the cutback in the size of the bureaucracy. Other recent reports describe withdrawals of Soviet technicians from the Polish shipyards in Gdansk and in Stettin, where the Soviet Union allegedly plans to relinquish its administration of part of the port area. 25X1

25X1 25X1
 [redacted] most of the Soviet advisers in Czech agriculture were withdrawn by the summer of 1953. Moscow may require the services of these experts in the USSR or may be motivated by a desire to reduce public awareness of Soviet control. No reduction has been reported in the number of Soviet advisers attached to Satellite military or security organizations.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 4

SECRET

SECRET

The official interpreters of the British Labor Party delegation, Lord and Lady Lindsay, who know China and its Communist leaders from Yenan days, have stated that their recent visit did nothing to dispel their theory that Peiping's leaders live in a sort of "dogmatic dream world." Lady Lindsay thought the Chinese people had been rallied to the point where they would support military action against Formosa. Lord Lindsay said there was no appreciation at all of the population problem, with the Ministry of Agriculture taking the attitude of "more hands, more output."

Evidence of the enhanced stature of Mao Tse-tung in the Communist world is contained in the 1953 edition of the Soviet Encyclopedia. In contrast to the 1936 edition it transfers credit from Stalin to Mao as the chief architect of Chinese revolutionary theory and practice. Mao's more radical writings and his 1927 practices--for which he was dismissed from the Chinese politburo--are rationalized in the new work as a "creative application" of Marxist-Leninist principles to the "peculiar situation" in China.

Mao is portrayed in the new volume as the leading proponent of "correct" Marxism who was thwarted by "deviationists." This snubbing of Stalin's controversial 1926-1928 policies and purification of Mao represent Soviet acknowledgment of and accommodation to Mao's victory in China. The Soviet Union would seem to be accepting Mao as the major living contributor to Marxist theory.

Further evidence of the improved status of China in the Communist world was suggested in the exchange of greetings between Malenkov and Mao on the 2 September anniversary of the Japanese surrender. Malenkov's message contained a more generous acknowledgment than in the past of the role of the "heroic Chinese people" who "have made outstanding contributions to the defeat of imperialist Japan." In contrast, Mao's greeting to the Soviet leaders omitted previous standard references to the specific role of the USSR in entering the Pacific war and neglected to include last year's note of gratitude for postwar "fraternal assistance" from the Soviet Union.

SECRET

SECRET**SOUTH KOREA PROVOKING DISPUTE WITH JAPAN OVER LIANCOURT ROCKS**

South Korea's armed occupation of disputed Liancourt Rocks--called Takeshima by Japan and Tokto by South Korea--is another artificially created but highly volatile episode in the larger sphere of Korean-Japanese conflicts. There is the possibility of an armed incident which either government, for prestige purposes, may exploit far beyond its actual importance.

Both Seoul and Tokyo have laid historical and geographical claims to the normally uninhabited Liancourt Rocks (see map, p. 7). Early this year, South Korea asserted that Japanese defense measures in the Tsushima Strait endangered the South Korean coast guard patrolling the "Rhee line," a zone in international waters off Korea from which Seoul arbitrarily excludes Japanese fishermen. In April, President Rhee created a "Liancourt Self-Defense Force" to protect the island against a "Japanese invasion."

In June, Japanese officials stated that Japan must be ready "to protect its right to Liancourt against South Korea," but an attempt by Japanese legislators to visit the island was stopped by the South Korean coast guard. After protesting that Japan had strafed, photographed, surveyed and landed armed police on the island, South Korea in August settled a number of fishermen and erected a lighthouse there. In early September, Seoul dispatched a garrison of what the press called "hundreds of police" to Liancourt.

Since Rhee returned from his Washington visit, during which he failed to attain his objective of changing America's "pro-Japanese" policies, his vilification of Japan has greatly increased. The Korean press announcement of the Liancourt occupation was deliberately provocative. South Korea's activities involving the Liancourt Rocks, therefore, at once reflect Rhee's ingrained hostility toward Japan, an effort to regain lost prestige at home, and an intent to generate tension with Japan as a bargaining maneuver in his negotiations with the United States.

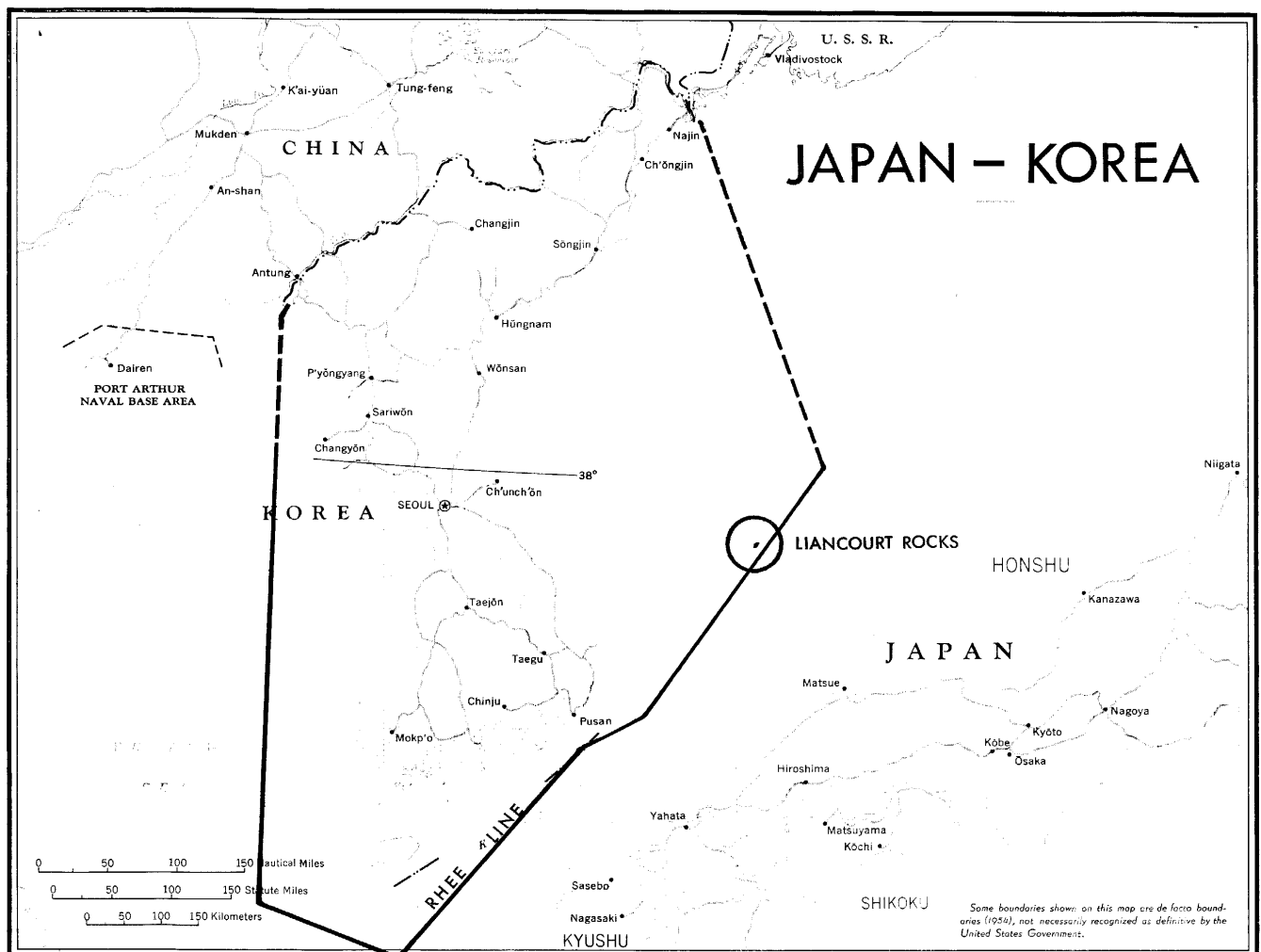
The Japanese government has branded the armed occupation as "illegal entry into Japanese territory." In the face of the government's announcement that it does not at present plan to use its navy to dislodge the Koreans, demands are already being heard in Diet committees for a stronger policy toward Korea. By the time the Diet reconvenes in November, sufficient pressure may have been built up to force the government into action.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 6

SECRET



SECRET**EGYPTIAN ATTITUDES TOWARD NEAR EASTERN DEFENSE**

Prime Minister Nasr's statements and maneuvers on defense plans in the month following the Suez settlement pose a serious problem for American efforts to obtain an adequate defense arrangement in the Near East. The regime appears to have little concern for strategic considerations, and seems to be primarily interested in assuring Egyptian leadership of any defense organization which includes the Arab states. To this end, the Egyptian government is currently exerting every effort to prevent Iraq from joining the Turkish-Pakistani Pact and thereby weakening Nasr's bargaining position with the West.

The American embassy in Cairo has commented on the difficulty in dealing with the Egyptian leaders because of their inexperience and immaturity in matters of international affairs. This is particularly the case on the question of area defense on which the regime's position is determined by popular misconceptions of Arab capabilities and the nature of modern war. Nasr's insistence, in an interview with American correspondents on 9 August, that the Arabs are capable of defending the area without Western assistance and that the Egyptians do not need foreign training missions but can learn to use jets and other modern equipment "from reading books" dramatizes the unrealistic attitude of this group toward the problem of defense.

The regime is opposed to any formal defense alignment with the West for what Nasr terms "psychological" reasons. These he describes as the Arab "complex" toward Western domination and the fear that any pact with the West would end in new "exploitations." Nasr, accordingly, seeks a purely Arab defense arrangement based on the three-year-old and still unimplemented Arab Collective Security Pact. The organization would be based on the Arab League and thus include such military vacuums as Yemen, Saudi Arabia, Syria and Lebanon. Such a grouping is without military capability or potential. Judging from past Arab efforts at military co-operation, it could be expected to result in nothing but wrangling and ineffectual discussion.

The confusion surrounding Egypt's efforts to forestall possible Iraqi adherence to the Turkish-Pakistani Pact emerged in the regime's handling of the talks with Iraq in late August. It was immediately apparent from official accounts that the youthful Major Salim, the Egyptian regime's expert on foreign affairs, and the veteran Iraqi premier, Nuri Said, differed substantially in their interpretations of their agreement on

SECRET

SECRET

defense plans. Nuri indicated to Western officials that the agreement provided for an approach to the United States and Britain for co-ordinated defense planning.

25X1

25X1

Egypt is unlikely to lessen its opposition to Iraqi participation in the Turkish-Pakistani Pact or to accept Western strategic appraisals which do not offer Egypt a dominant role. The regime may, accordingly, be expected to engage in a series of delaying maneuvers among the Arab states to prevent early action to implement Western defense requirements in the Near East.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 9

SECRET

SECRET**MALAYAN COMMUNIST PARTY MAKES PROGRESS
DESPITE GOVERNMENT PRESSURE**

The Malayan Communist Party, encouraged by events in Indochina, continues to register gains and is now actively engaged in penetrating the independence movement. Party policy is based on a modified version of the central committee directive of October 1951 which called for reduced terrorism and increased subversive activity in anticipation of a united front.

The Communist campaign of subversion and "selective terrorism" has been hampered by improved government intelligence and military operations, by the resettlement of Chinese squatters--who constituted an important source of food--from the jungle fringes to enclosed, guarded villages, and to a slight extent by government psychological warfare.

In adjusting to government pressures and their own change in strategy, the Communists have perceptibly tightened their security, improved their military tactics, and stressed selection of military targets which they know are within their capabilities. Some of their military personnel are believed to have been "demobilized," and others to have been relegated to food cultivation, still the Communists' chief operational problem. Great stress has been placed on the development of efficient "armed work forces." These groups constitute a merger of elements of the party's military and civilian organizations and provide the principal link with the "masses." The party, which is composed principally of Malayan-born Chinese, is also increasing its activity among Malays and Indians. The politburo is believed to have moved north from the state of Pahang in central Malaya to the Thai border area, both for reasons of security and to facilitate communications with the Thai and other Communist movements.

Progress in subversion has been noted particularly among small capitalists, one of the main Communist targets. In Johore, the principal rubber producing state, where the Communists have displayed their greatest strength, party contacts or members are now found in higher strata of society than previously, and government authorities are finding increasing evidence of greater sympathy among small holders, shopkeepers, and other minor capitalists for the Communist cause. Since such persons frequently participate in village government, the Communists can use them to influence village affairs.

SECRET

SECRET

Communist subversion of special constables and home guards continues. Both organizations consist of individuals recruited locally to guard estates, mines, and villages. In a number of instances, they are known to have supplied the Communists with arms, ammunition, information, and supplies. Of 56 reported cases of home guard assistance to the terrorists over a 12-month period in the state of Kelantan, 10 persons were revealed as motivated by sympathy and 15 others by bribery; the remaining cases apparently resulted from coercion.

The Communists now take selected individuals to jungle camps for indoctrination courses and then return them to their homes for underground activity. "Armed work forces" increasingly enter villages and rubber-tapping areas to deliver political lectures. Cells are increasing in resettled villages and small towns, and they continue to flourish in Chinese schools. The number of Chinese students traveling to Communist China this year for higher education is three times as great as the number during the preceding year. Communist influence among labor is believed still to be largely confined to employees on small holdings and Asian-owned estates.

Militarily the Communists' continued success in guerrilla warfare permits them to stage ambushes when and where they choose. An example is the ambush-murder of C. N. Godwin, the senior police officer for the states of Kedah and Perlis, last May. Moreover, the Communists' prospects in Malaya, although long-range, have been improved by events in Indochina. Their morale, as reflected in the decreased number of terrorist surrenders, appears to be on the upswing following Viet Minh successes.

In their efforts to infiltrate the increasingly articulate independence movement, the Communists are chiefly using their contacts among members of the outlawed and Communist-influenced Malay Nationalist Party. Communist documents emphasize that former members of the Nationalist Party and its affiliated youth and women's organizations are more readily susceptible to the united front idea than any other group in Malaya. Ex-Nationalist members have joined the principal Malay political organization, the United Malay Nationalist Organization. The Communist Party itself is reportedly following a propaganda line in its work among the Malays to the effect that Malays, Chinese, and Communists should consolidate their efforts in the common struggle against the British.

SECRET

SECRET

IMPLICATIONS OF THE PASTORE PROPOSAL FOR REORGANIZING ITALIAN INDUSTRY

Inefficiency in Italian industry and the Communists' hold over labor are the targets of a proposal, approved by the Chamber of Deputies on 3 August, for reorganizing important segments of industry owned by the state. The proposal, put forward by Christian Democratic labor leader Giulio Pastore, has aroused strong opposition from vested interests. Action on it may determine the success of the Scelba government's whole program of socio-economic reform.

Of Italy's serious economic difficulties, one of the few subject to attack by Italy alone is the inability of many industries to compete in world markets. The effects of obsolescent equipment and other technological factors have been aggravated by restrictive business practices maintained by Confindustria, the powerful association representing management. Many firms have been kept in business only by government subsidies.

Among the more inefficient enterprises are those owned by the government but privately operated under the loose supervision of the Institute for Industrial Reconstruction (IRI), which was created in the early 1930's to put the nation's banks and industrial enterprises on their feet. The present IRI complex probably employs less than 10 percent of the 2,000,000 in Confindustria firms as a whole, but dominates certain basic industries such as iron and steel, machinery, and shipbuilding.

With general industrial reform his avowed purpose, Giulio Pastore, head of the Christian Democratic-oriented labor confederation (CISL), persuaded the Chamber of Deputies to pass a motion calling on the government to detach the IRI firms from Confindustria and make IRI a public instrument of industrial policy to spur the modernization of factories, improve labor relations, and help labor to participate in management's decisions. He is reported to envisage the return of some 70 percent of the IRI companies to private ownership over the next six or seven years and the reorganization of the remainder under closer government control to serve, among other things, as a yardstick of efficient industrial management.

Probably the most immediate aim of Pastore's motion was to improve his own labor organization's bargaining position in competition with the much larger Communist-dominated General

SECRET

SECRET

Labor Confederation (CGIL). A large sector of Confindustria now prefers to deal with CGIL as the strongest and most responsible spokesman for the workers. Under government direction, however, IRI firms would presumably give preference to CISL, particularly since this would help make eligible for American offshore procurement contracts various factories now regarded as security risks. Concessions won by CISL in IRI firms would in turn strengthen the free unions vis-a-vis the Communists elsewhere in Italian industry.

The present organization of Italian industry has provoked efforts at reform from such diverse sources as the original ECA mission and Nenni Socialist officials in CGIL, and the Pastore proposal initially attracted widespread support. The Christian Democrats' national congress endorsed it in June, the Scelba cabinet approved it in early July, and only the Liberals, Monarchists and neo-Fascists opposed it in the 3 August vote.

Since then, however, opposition to the measure has grown. The present IRI management and other interested parties in Confindustria have raised various technical objections and are exerting powerful political and economic influence against the proposal. Confindustria, which draws much of its funds from IRI, is in turn a major source of funds for the center parties, and there have been threats that these contributions might be switched to the right-wing parties. The Communists have not yet attacked the Pastore proposal but probably will as soon as they see means of exploiting the controversy for their own purposes.

Christian Democratic leaders have grown worried about party unity and some of them, including party secretary Fanfani, induced the government, prior to the chamber vote, to announce that implementation of the Pastore motion must wait until the commission which has been studying the IRI complex for the past year makes its report some time this fall.

In the long run, the Pastore proposal appears to offer--despite certain questionable technical features--a means of correcting basic weaknesses of the Italian economy. To the extent that it would strengthen the free trade unions, it would also substantially aid the government's anti-Communist program. In the short run, the proposal provides an important test of the Scelba government's ability to push through its program of socio-economic reform in the face of stiff opposition.

SECRET

SECRET**NEW DEVELOPMENTS IN SOVIET RURAL ADMINISTRATION**

Developments in Soviet rural administration during the past year reveal that the Communist leaders have not abandoned their 35-year battle to bring the Russian peasant under greater state control and ultimately transform him into a laborer working for wages like the industrial worker. While the immediate objective of the recent changes is to increase farm production and in particular to obtain greater deliveries to the state, the new measures were also framed with an eye to the long-term goal of a "classless society."

The measures of greatest long-run significance are those designed to tighten state control over the peasant and his agricultural operations. This control has been strengthened by placing a district party secretary in each machine tractor station and making him responsible for unified political control over the entire zone serviced by that station. In addition, the directing function of the tractor stations in the day-to-day administration of the collective farms has been broadened to such an extent that the stations virtually run the kolkhozes which they service. Further party control has also been instituted by the assignment to agricultural areas of "plenipotentiary representatives" of the party's central committee.

The most recent move of an institutional nature has been the amalgamation of rural soviets (local units of government administration) in June, July and August, reducing their number by about one third. This amalgamation will have a two-fold effect: rural administration will be more closely geared to the collective farm, since the boundaries of the new rural soviets will conform to the boundaries of the larger collective farms created in the amalgamation of 1950, and a number of trained administrators will be available for other work. There is evidence that some of these, at least, will be utilized as collective farm chairmen.

As the units of rural administration become larger and more remote from the peasant, as machine tractor station planning and direction increase and as more trained administrators are brought in from outside the kolkhoz for agricultural work, a further depersonalization in the peasant's attitude toward work may gradually set in and make him more accustomed to a wage labor type of existence.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 14

SECRET

SECRET

An area in which the peasant is already being transferred to wage labor is in the machine tractor stations, whose permanent staff has been swelled by the addition of tractor drivers, foremen, bookkeepers and the like. These were formerly members of a kolkhoz who worked only part time for the station. As agricultural operations become more and more mechanized, the transfer of an even larger number of peasants to this type of wage labor will be possible.

One result of the August decree of the party's central committee relating to the expansion of the "new lands" program in Kazakhstan and Siberia will be an increase in the number of peasants working for wages rather than sharing in the income of the farms. Most of the land to be reclaimed after 1955 is to be worked by state farms where wages are paid, rather than collective farms where the farmer's pay is a share in the farm's income.

With regard to the immediate objective of increasing agricultural production, there has been an attempt to improve peasant morale and make work in the collective fields of kolkhozes more attractive. A series of decrees was issued wiping out past debts to the state, reducing current obligatory deliveries and taxes, abolishing the practice of reaching planned targets by increasing levies on the more productive farms over and above their fair share, and re-emphasizing and adjusting the system of bonuses to give more substantial rewards for overfulfillment of norms.

These inducements, possibly because the peasants were simultaneously encouraged to improve their private plot operations, apparently did not prove sufficient to increase work on the collective lands, since the government has recently pressed collective farms to set new and higher norms for the minimum number of workdays their members must work for the kolkhoz. This action, designed to force the sluggards and those who prefer to work their private plots to contribute their fair share to the collective, may affect a sizable minority of the peasants who in the past worked less than the new minimums will require.

The ultimate aim of the government is to induce or force the peasant to work more of his time for the collective rather than on his personal plot, and eventually to eliminate the personal plot so that the state can directly control all agricultural output. This remains the long-range goal of the administrative and institutional changes introduced by the regime over the past year, in spite of the limited encouragement presently given to private plots.

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 15

SECRET

SECRETSPECIAL ARTICLE**PROSPECTS FOR THE NINTH UN GENERAL ASSEMBLY**

The agenda of the ninth UN General Assembly, which opens on 21 September, includes the usual East-West problems as well as some new issues which could lead to serious discord among non-Communist members. While antagonism and pique toward the United States will probably be reflected in some of the voting, a majority of UN members are likely to support Washington on cold-war matters.

In addition to such East-West perennials as Korea, global disarmament, and Chinese representation, the entire Indochina question may be aired. Conflicts among the Western powers over colonial issues, previously evident in the North African discussions, may be aggravated with the introduction of the Cyprus and West New Guinea questions. A further tightening of Arab-Asian bloc voting seems likely, with more abstentions on East-West issues and a stronger anticolonial stand. Latin American support for the United States' position on major East-West issues will continue.

Korea

The eighth General Assembly, which recessed on 9 December 1953, deferred detailed discussion of the Korean question because the Panmunjom talks were then in progress. The ninth session will consider this question against the background of the Korean impasse and the Indochina settlement reached at Geneva. The American position that no useful purpose would be served now by discussing Korean unification will probably receive majority support. The report by the 16 participants on the UN side at Geneva stressed the USSR's opposition to UN supervision of genuinely free elections in Korea.

[REDACTED] the annual report of the commission may contain some unfavorable criticisms of American actions. South Korea's public threats to "march north" may prompt a move by some UN members to call on the Republic of Korea and the parties to the Armistice Agreement to keep the peace.

Although the United States would like to see the Neutral Nations Supervisory Commission dissolved prior to the assembly meeting, the British believe the least objectionable way to achieve dissolution of the commission is to have Sweden initiate a discussion in the assembly of the commission's ineffectiveness. South Korea has been insisting that the UN-appointed

17 Sept 54

CURRENT INTELLIGENCE WEEKLY

Page 16

SECRET

25X1

SECRET

commission leave Korea prior to the assembly's opening, and American officials in Korea fear that failure of the Swiss and Swedes to make an early decision to withdraw will result in officially inspired violence against the commission members.

The American delegation expects an attempt at this session to lift the UN embargo against Communist China imposed in 1951 following the Chinese intervention in Korea. The delegation believes that this idea is gaining favor in the UN.

Disarmament

The disarmament discussions held this summer in London among the "powers principally involved"--called for by a resolution of the eighth General Assembly--resulted in a stalemate. The Soviet demand for an immediate and unconditional ban on weapons of mass destruction, but without adequate provisions for enforcement, precluded any compromise solution.

The USSR is expected to maintain this position, stressing the Japanese report to the UN on the radiation incident and the complaint of the Marshallese to the Trusteeship Council on the effects of nuclear tests in their area. It is likely that no Soviet-sponsored resolution will muster the necessary support and that the ninth General Assembly will call for a continuation of disarmament talks. The growing neutralism among some UN members may, however, cause them to urge some compromise solution incompatible with the present American position.

Chinese Representation

Support for the seating of Communist China has slowly grown since the Korean armistice, and the number of UN members likely to abstain on this issue has increased. A growing number of officials of various member states have publicly stated that the Peiping regime must eventually be represented in the UN. New Zealand external affairs minister Webb so stated in a parliamentary debate on 8 July, and on 31 August the foreign ministers of Norway, Sweden, Denmark, and Iceland publicly took the same position.

It is unlikely, however, that Communist China will be seated at the coming session. A large majority of members is expected to support a procedural resolution to defer the issue, as in the past. Britain and others among the 15 UN members which recognize the Peiping regime strongly favor this maneuver.

SECRET

~~SECRET~~Indochina

The British UN delegation has expressed fear that any General Assembly discussion of the Indochina settlement reached at Geneva would publicize Western divergence of views on the issue. It was for this reason that Britain induced Thailand last month to shelve its appeal to the General Assembly for a peace observation commission for the area.

Australia, without consulting the United States, has introduced an item on the agenda entitled "Admission of Laos and Cambodia." While the eligibility of these states for admission to the United Nations is strongly supported by the United States, and was affirmed by an overwhelming majority of the 1952 General Assembly, discussion of this item runs the same risk of opening up the Indochina issue. The Soviet bloc would use it to repeat its assertions that inclusion of Laos and Cambodia in the Manila protocol violates the Geneva settlement.

North Africa

The Moroccan and Tunisian questions have again been placed on the agenda by the Arab-Asian bloc. Discussion was bitter last year. Lack of a two-thirds majority prevented passage of resolutions critical of French conduct in these perennial problem areas. This year, however, the reforms announced by the Mendes-France government may have a moderating influence on the debate.

West New Guinea

The Indonesian request that the ninth General Assembly call upon the Netherlands to reopen negotiations over the status of Western New Guinea will probably involve the UN in a bitter discussion covering the whole field of colonialism and self-determination. Indonesian claims to the territory, the status of which was left unsettled in the 1949 Indonesian settlement, are likely to receive the support of most of the Arab-Asian bloc. Traditional Arab-Asian and Latin American bias against colonialism probably will not be tempered by the United States' "hands-off" policy.

The Netherlands will most likely have the strong support of the other colonial powers in a protracted and bitter fight to prevent any General Assembly discussion of the issue. The Dutch may attempt to keep the question within the Security Council by raising before that body alleged Indonesian violations of the original 1949 agreement.

~~SECRET~~

~~SECRET~~Cyprus~~CONFIDENTIAL~~

Greece's introduction of the Cyprus question into the UN has caused much consternation among the other NATO powers. Britain and Turkey oppose any UN discussion, but demarches to the Papagos government designed to prevent introduction of the item failed.

Britain has indicated that it will absent itself from any committee discussion. The British have also hinted that their support for the United States on other issues may be affected by Washington's stand on Cyprus. The Western colonial powers most likely will support the British position actively, but it is unlikely that inscription of the item can be prevented.

Administrative Problems

Elections of officers at the forthcoming meeting present no serious problem for American interests. The most contested election will be for the presidency of the ninth assembly. American support of Prince Wan of Thailand has greatly disappointed the Dutch, who were under the impression that the United States would support their candidate, former foreign minister Van Kleffens. Under the geographic rotation principle the office would go to a Western European country this year since an Asian, Madame Pandit, was president of the eighth assembly.

~~SECRET~~~~CONFIDENTIAL~~